

PROCEEDINGS

**CONFERENCE ON  
PRE-RETIREMENT**

Thursday, May 6, 1971



THE UNIVERSITY OF NORTH CAROLINA  
AT  
GREENSBORO

Editors: Dr. Artnur L. Svenson  
Dr. Joseph E. Bryson

HQ  
1064  
U5N8



The Extension Division  
The University of North Carolina at Greensboro  
Greensboro, North Carolina

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EXTENSION DIVISION  
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

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CONFERENCE ON PRE-RETIREMENT

Thursday, May 6, 1971  
 Extension Division  
 The University of North Carolina at Greensboro  
 Virginia Dare Room  
 Alumnae House  
 9:00 a.m. - 4:30 p.m.

Co-Sponsors: The University of North Carolina at Greensboro  
 Continuing Education Guidance Center  
 School of Business and Economics  
 School of Home Economics  
 School of Nursing  
 Development Office

The Greensboro Chamber of Commerce  
 Greensboro, North Carolina

Editors: Dr. Arthur L. Svenson  
 Burlington Industries Professor of  
 Economics and Business Administration  
 The University of North Carolina at Greensboro

Dr. Joseph E. Bryson  
 Director, Extension Division  
 The University of North Carolina at Greensboro



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CONFERENCE ON PRE-RETIREMENT  
(Program Format)

Thursday, May 6, 1971  
The University of North Carolina at Greensboro  
Virginia Dare Room  
Alumnae House  
9:00 a.m. - 4:30 p.m.

. . . to explore the need for Pre-Retirement programs in business, civic, and community organizations, and religious institutions.

9:00 a.m. Registration  
9:30 a.m. Welcome:  
Chancellor James S. Ferguson  
The University of North Carolina at Greensboro  
Introduction:  
Dr. Arthur L. Svenson  
Burlington Industries Professor of Economics and Business Administration  
The University of North Carolina at Greensboro

Retirement: Social and Psychological Dimensions

9:45 a.m. Dr. Arnold Krugman  
Associate Professor, Department of Psychiatry  
Duke University  
Chief Psychologist, Veterans Administration Hospital  
Durham, North Carolina  
Introduction:  
Dr. Joseph E. Bryson  
Director of Extension Division  
The University of North Carolina at Greensboro

10:45 a.m. Reactors:  
Mrs. Mary Snyder  
Geriatric Nurse Specialist  
Guilford County Health Department  
Greensboro, North Carolina  
Dr. Frank Starr  
Vice-President and Medical Director  
Pilot Life Insurance Company  
Greensboro, North Carolina

10:45 a.m. Coffee Break

Personal Growth In Retirement

11:00 a.m. Dr. Earl Kauffman  
Director, Council on Aging  
University of Kentucky  
Lexington, Kentucky  
Introduction:  
Dr. Naomi Albanese  
Dean, School of Home Economics  
The University of North Carolina at Greensboro



11:30 a.m. Reactor:  
 The Reverend Robert W. McKewin  
 Administrator, The Penick Home  
 Southern Pines, North Carolina

12:15 p.m. Lunch

Work and Income in Later Life

1:30 p.m. Dr. Juanita Kreps  
 Dean of Women, Professor of Economics  
 Duke University  
 Durham, North Carolina  
 Member, Board of Directors of the National Council on Aging  
 Vice-President of the Gerontological Society  
 Introduction:  
 Mrs. Jean Eason  
 Director, Continuing Education Guidance Center  
 The University of North Carolina at Greensboro

A Pre-Retirement Program for Industry

2:15 p.m. Mr. Edward McGehee  
 Director, Retirement Studies  
 Industrial Relations Center  
 University of Chicago  
 Chicago, Illinois  
 Introduction:  
 Mr. William Pittman  
 President, Greensboro Chamber of Commerce  
 Greensboro, North Carolina

2:45 p.m. Reactors:  
 Dr. William McGehee  
 Psychologist, Director of Personnel  
 Research and Development  
 Fieldcrest Mills  
 Eden, North Carolina  
 Mr. William Price  
 Sears, Roebuck, and Company  
 Greensboro, North Carolina

3:15 p.m. Coffee Break

3:30 p.m. Panel Discussions  
 Dr. Arthur L. Svenson, Moderator  
 Dr. Arnold Krugman  
 Dr. Earl Kauffman  
 Dr. Juanita Kreps  
 Mr. Edward McGehee

4:15 p.m. Summary:  
 Dr. Arthur L. Svenson  
 Close of Conference:  
 Vice-Chancellor Stanley L. Jones  
 The University of North Carolina at Greensboro



## Introduction

Professor Arthur L. Svenson  
Burlington Industries Professor of  
Economics and Business Administration  
University of North Carolina at Greensboro

Dr. Joseph Bryson, Director of our Extension Division, and I welcome you to our conference on pre-retirement. We would also like to mention at this time of the welcome the other sponsors of this Conference: The School of Business and Economics with which I am affiliated, the School of Home Economics, the School of Nursing, and the Development Office of The University of North Carolina at Greensboro.

We also bring you greetings from the Greensboro Chamber of Commerce. We sincerely appreciate the Chamber's continuing interest and support of our efforts.

Particularly do I want to welcome you on behalf of the Continuing Education Guidance Center. It is this Center which has been responsible for the construction of most of the content for our program. I wish now to introduce the Director of the Center, Mrs. Jean Eason, and Mrs. Judy Hymen, also of the Center. Mrs. Hymen has been coordinator for the conference. Finally, I should like you to meet Miss Griselle Gholson, Planning Specialist of our Extension Division. Miss Gholson has been in charge of arrangements.

Planning for pre-retirement, at least from the management aspect--the level I am mainly concerned with in graduate work, is equally as important as the hiring, training, and development of our labor force. But unfortunately, pre-retirement has not yet been considered of major concern. When the employees start to tumble towards the sixty year old category, we are going to be faced with formidable numbers. From the management side, pre-retirement is going to be of such a nature that we can foresee within this decade that we shall be spending as much time, effort, and capital on pre-retirement and retirement programs as we are now spending in our induction program, labor recruitment, labor testing and training.

Recently, one of my graduate students made a survey of pre-retirement plans and policies of 28 major organizations of the Piedmont-Triad area. These organizations included such groups as hospitals, city governments, county governments, private business enterprises. In only two instances out of these 28 (and the student made a rather indepth survey), did he find provision for plans and programs on pre-retirement in these organizations. In this Triad area where our labor force is perhaps 47% in manufacturing compared with the national average of 26%, this is a pretty low batting score. Piedmont-Triad management will be forced, because of its high manufacturing and high service characteristics, to move more aggressively into the area of pre-retirement.

The major response of the various organizations to the question of pre-retirement was that they were willing to offer use of the company car to drive the retiring employee to the Social Security Office. Now that's really opening up one's heart.

Before we enter the substantive part of our Conference, I should like to introduce a gentleman who has consistently exhibited high concern for the welfare of our community and its citizens. I take great pleasure and honor in introducing to you Chancellor James S. Ferguson of the University of North Carolina, who will bring you greetings from our University.

University Greetings

Chancellor James S. Ferguson  
The University of North Carolina at Greensboro

Thank you, Dr. Svenson. Ladies and gentlemen of this Conference I shall be brief.

You may have heard about some changing attitudes on the part of Hubert Humphrey. In January, 1949, when he went to the Senate, Mr. Humphrey was thirty-seven years old and he entered very quickly into an attack on the seniority system.

Well, after some twenty years he was asked again what his attitudes were on seniority. He replied, "You know, at first I was against it, but the longer I stay in Washington, the more sense it makes."

Somehow or other I, too, have experienced a changing attitude toward the problems of retirement. Every year I live I become a little more interested in retirement and the plans associated with it.

I do want to extend to you the greetings of this University. I want to say that this Conference is evidence of our wish to work with the community in attacking some of the basic problems that we have in our society. We are indeed pleased that the Continuing Education Guidance Center has developed this program along with the Extension Division. We are glad to have the sponsorship of the Greensboro Chamber of Commerce, and the cooperation of the other sponsors in conducting this program.

I wish you great success in your meetings here today.



SOCIAL AND PSYCHOLOGICAL DIMENSIONS  
OF PRE-RETIREMENT AND RETIREMENT

Dr. Arnold Krugman  
Associate Professor  
Department of Psychiatry, Duke University  
Chief Psychologist  
Veterans Administration Hospital, Durham, North Carolina

Introduction of Dr. Krugman

Dr. Joseph E. Bryson  
Director of Extension Division  
The University of North Carolina at Greensboro

Chancellor Ferguson, Professor Svenson, kind and distinguished speakers and participants of this conference, I am delighted to introduce to you at this initial segment of the program one of North Carolina's outstanding citizens, Dr. Arnold Krugman, Associate Professor of the Department of Psychiatry at Duke University.

Judging from Dr. Krugman's vitae, he must be a most stimulating teacher. He is certainly one of the most voluminous and effective writers in his field. In speaking with mutual acquaintances, I know, too, that he is a fine and outstanding personality.

Dr. Krugman, we are delighted to have you to this campus. It is my pleasure to introduce you to this audience.

Dr. Krugman:

When I accepted the invitation kindly extended to me to address this distinguished group, I did so with mixed feelings. There is so much unknown about the topic of discussion that I felt a brief presentation would do little justice. At the same time, I felt that even a short presentation could enable us to increase our awarenesses, hopefully to look at some of the issues involved from different perspectives than we might have utilized in the past. What I would like to do for this next little while is to share some of my thoughts and experiences with you about a special group of employees. I hope, in turn, that there will be time available for you to share some of your experiences and thoughts with me. This sharing process will enable us to understand a little better what kinds of problems we need to address ourselves to, and might even point to the direction of reducing some of the problems.

The group I have reference to, as you all know, are employees about to retire which might be all employees actually because one of the things about employment is that termination is in the offing.

I would like to approach this subject from the vantage point of the retiree, recognizing that in the area of retirement are many, many vantage

points - social vantage points, economic, community, medical, political, government, all blended together into a extremely complex pattern. I am not sure that we know in its entirety what retirement is about. Over the years there has been little hard data accumulated regarding the retirement phase of our lives. Until fairly recently, there were just not that many people involved. People were born, went to school, worked, married (before, during or after working), worked until they were pretty old, were fairly disabled and died soon after. In some parts of our world this course of events is still rather true. But tremendous advances in medicine, in economic affairs, in efficiency with regard to productivity and tremendous population growth are contributing to radical alterations in this course of events.

Retirement age is going down. More people are living longer and healthier. Suggestions are that these trends will continue. We will have more younger retired people, living a longer retirement period. At another conference it has been pointed out by Dr. Kreps, who might address this subject later, that by the mid-1980's it is likely that only half our current active labor force will be needed to maintain our gross national product. That is a tremendous kind of projection; implications of this for us right now are vast.

What is retirement about?

For many of us, it is a transitional period in our lives and like most transitional periods it has all the ingredients constituting a crisis. How a retiree handles this crisis has tremendous influence both on the rest of his life and the lives of those about him. You might have some reservations about using the term crisis to describe this transitional event because you know and I know that many people do retire and adjust without strain. But I use crisis in the sense of a turning point in our development, a turning point like moving from infancy to childhood or childhood to adolescence or adolescence to adulthood, middle adulthood to late adulthood. In effect, it is like walking to the end of one life period and shifting into a new one; I mean crisis in this regard.

We have been saying that as this transition takes place it has been marked by a set of changed circumstances regarding the retiree's subsequent development.

Let us talk, if we may, a little bit in general about the nature of retirement. It might be useful to consider why the institution of retirement has been established in our society. We might ask: To what extent has it developed a response to the needs of retiring people? I think we can see that retirement has been designed to fulfill many purposes and to serving none of them well. It is likely that we have been operating with a series of myths for some time to help us justify the institution of retirement. For example, health is often given as a reason for retirement by the policy maker and the retiree. However, the percentage of people giving health as the retirement reason depends on the conditions under which the responses are obtained. This suggests that poor health as a reason for retiring frequently is a face-saving response. It has been assumed that people beyond

a certain age suffer losses in fitness, in efficiency, in capacity, and will to be unable to work, or unable to continue their present work effectively.

But this circumstance has never been true except for a small minority of sick people, and it is becoming less true every year with our improving health standards and our more efficient work methods which may require more skill and less physical prowess, less effort. Why is poor health society's reason for creating retirement? Is health status not more consistently used as a direct condition for retirement readiness? Yet, people who retire early or because of health conditions usually have to take relief pension payment. People in production frequently suffer because some of the workers struggle through to normal retirement age despite failing health for financial reasons. Failing health may have been an essential consideration when retirement age was 70 or thereabouts and approximately coincident with dying. Perhaps there should be policy and program reconsideration as retirement age means medical care relief and when longevity increases whether health is the reason for rationalization.

Release from the burden or boredom of work is often cited as justification for retirement. That this consideration does play a role is supported by the fact that many retirement policies include options for extension of work beyond normal retirement age and that early retirement is becoming increasingly possible. Of course, early retirement more often than not involves lower pension payments and extension beyond normal retirement frequently results in lessening the occupational status, in loss of tenure and there usually is a definitive termination age.

Reward for a job well done probably has little to do with the institution of retirement except that it makes a nice line in a retirement speech. That is, it gives value and status in an employee's 30 years of service, a gold watch and a pat on the shoulder; and that's the reward.

But why should retirees receive so little money? Retirement may be seen as a socially acceptable way of terminating employees - managerial and professional as well as lower level employees, who have reached their peak earning but whose seniority may be increasing the cost effectiveness ratio of whatever product the company is turning out. Also, senior employees may be blocking regular promotion channels.

Periodic retraining during one's career for work life may insure that occupational skills do not become obsolescent. Retirement may serve to reduce surplus labor from the upper end of the age scale, thereby providing jobs for newly entering young adults. It may be seen as insurance for full employment, a means of reducing the number of unemployed. Oddly enough, people at the lower end of the age scale who are not in the labor market are recorded by our census as being unemployed. People at the upper end of the age scale when they are not in the labor market are called retired. But does not this point to the interchangeability of the terms "retired" and "unemployed"?

How about the notion that retirement comes about because people want to retire? This is not altogether clear. Many studies here, in England and elsewhere, have found that some workers welcome retirement if financial security

is adequate. Unfortunately, among retirees financial security is more frequently absent than present. Frequently expressed feelings about retiring that have been gathered from retirees follow this line: "You're on the outside looking in"; "I feel as useless as a \_\_\_\_\_ (you fill in the blank)"; "I sure do miss my buddies".

These statements are from people who have family but who miss something that fraternization on a job makes available. There is no overwhelming welcome of retirement then by either pre-retirees or post-retirees; a number of studies have indicated this. There is no welcoming of retirement enough to justify the notion that retirement is for the benefit of those people in late maturity.

Let us look for a little while at some things which frequently take place during one's retirement which require us to make new adaptations in our living pattern. For the most part, the way things are now in our society, there is a paucity of opportunities available to retired people from which to derive the social, personal, and financial support provided by work. These supports are, for most of us, the large contributors to our sense of being, to our sense of usefulness, dignity and identity. With retirement, in all but a small percentage of the population, there is loss of income. Even people under good retirement programs experience a significant lessening of income, although it is true that some retired people have larger incomes upon retirement than some working people.

Probably the relative amount of money during working versus retired years is at least as important as the absolute amount of retirement income or the amount relative to that of other people. A reduction in income forces changes in one's way of living.

In our society in which money is so consistently used to represent worth, reduced income probably is associated with reduced personal value as well. Limited finances lead to severe constrictions of one's life space, of one's activities, of one's social contacts. The effects of reduced retirement income, then, are pervasive and of primary significance in the personal problem confronting the retired person. How much of this problem could be avoided by continuing into retirement the income levels of working years is a consideration that we might think about because we do not yet know much about it.

Time scheduling is another area of concern. To begin with entry into school and on through the years of work, people in our society must accept the ordering of the major part of the working hours according to the demands of the education schedule, the school bus on the corner at 7:45, the school bus home at 3:45, play activity and Sunday School at such and such a time, the work whistle blows. A large part of our working days is taken care of by forces outside ourselves. At retirement, for many of us, for the first time since infancy, the person is given full responsibility for scheduling his own time, or making his own pattern of living, for filling his hours.

The manner in which retired people meet this challenge by having to carry on the task of using time is of vital concern because many more hours are available. There is less pressure, less opportunity to use these hours in socially prescribed ways. Some people develop substitute activities which

supply them with the same satisfactions they used to derive from work. Some quickly fill hours with activities sometimes to the point of exhaustion in what appears to be defensive flights into activity. Others reduce activity, withdraw emotionally from the world, spending their time in meditation or simply getting lost. Those who find meaning in meditation may be showing an emerging development in this portion of their lives. Others may be reduced to vegetation by lack of opportunity and by discouragement.

Along with ordering this time, meaningful use of time is another factor that needs considering. Retirement not only demands rescheduling but new freedom in the responsibility for this scheduling. This is also a problem in the meaningful use of time. The person loses the customary work role and whatever satisfactions and dissatisfactions were involved. He must then seek satisfaction in the realms that are available to him - spouse, parents, grandparents, friends, members of organizations, hobbyists - and, if he does not, he goes without. Workers who work only to earn a living should have relatively little difficulty if retirement income is adequate and if they find some way to fill their time. The time transition should be easier or more difficult depending on whatever leisure activities they had earlier and can be expanded.

Those individuals whose jobs provided most of their values, like money, prestige, social contact, accomplishment, and new experiences and who obtained through the years very little satisfaction from other sources may be in for rough sledding at retirement time. They depend on their personal maturity, their capacity, and upon their luck in working out the equivalence in leisure pursuits equal to the satisfactions they obtained from work. Their problem would seem to be one of motivation of relocation. There is evidence that retired people or older people are capable of learning, forming new relationships, adjusting to new situations. It is probably harder for a person to establish completely new sources of gratification than if he had those sources which could be expanded at retirement. Solutions here are very much dependent on educational, recreational, social, and service opportunities provided by the environment in which the retiree finds himself on retirement. Perhaps most basically, solutions will be influenced by the person's acceptance of the functional purpose in work at the retirement phase of his life.

Another concern is that retirement is probably today a confrontation of old age and it will remain so until society and the people in it recognize and define the life stages between maturity and old age which, as we noted earlier, have only recently been experienced by an appreciable number of people.

Modern western culture presents an atmosphere of exclusion against the aged. Evidence of this is striking in all quarters and at all levels among the professions which traditionally serve people, family, industry, business, labor, society. To flatter a person you frequently say, "Hey, you don't look a day older than when we met twenty years ago. You don't look your age." Youth is stressed in advertisements in everything from automobiles to mouth-wash.

The low income of retired people in nearly all countries is or may be indicative of society's regard for them. Retirement, then, is a critical turning point in determining a person's perception of himself as old. Of course it tends to force him to recognize that he is old in the eyes of others. His contribution is no longer considered valuable but actually detrimental to the productive capability of society. Though it is not socially acceptable to dislike old people, most people of all ages have negative ideas about them--subtle or gross, but negative nonetheless. Because society generally rejects the retired person, many suffer a transition into that status.

Looking around the audience, I see many people who are in the same shape that I am, some a little bit more, others a little bit less. In a word, we are all not too far from needing to think about retirement. I wonder if we could take a minute and let our fantasies go and think what retirement means to us as a prospective retiree. How to translate this term into our own frame of reference? Try it just for fun. I would guess for some of us it is not so much fun. Does it mean to us a period of well earned rest after a number of years of active participation in the world of work? Do you see it as a ceremony between one career and another? (I believe you mentioned, Dr. Svenson, that your parents celebrated retirement by going back to work for an extended period.) Do we see retirement as leisure from work? time for play, for education? Do we see it as relief from an overtaxing, unpleasant, health-draining, rotten job? Do we see it as a time of old age with declining health and reduced income? of personal devaluation? an exclusion from people? Do we see it as the opportunity to start our real life work? Possibly we might see it as a time to draw two paychecks--one from the pension fund and one from a new job. There may be other expectations, but speaking as a prospective retiree, it seems to me that how each of us translates the notion of retirement to a very large extent determines what we do and how we function in this period of our lives. Each of us has the capacity to see it as the end of the line, to fold up our tents and silently fade away, or to continue to experience life as rich and worth while, to grow, develop, to contribute.

May I summarize with a couple of statements. Retirement is a variety of things to different people. It may be a reward, as we have noted, a release from hard straining work, or an opportunity to pursue other interests plotted out of a busy life during our work years. Retirement may be a traumatic loss of income, occupational status, lack of companionship, which sometimes results in depression, withdrawal, and personality deterioration. I see in my practice some people in this category--emotionally disturbed, unadjusted older people who are in this particular phase of their lives.

Mental and physical effects of retirement revealed in many, many studies do not conform to patterns of the commonly accepted stereotype of older people, retired people. Many retired people are satisfied with their lives, though, admittedly, they do not like the fact of aging. The stereotype of the older person is a demanding, set, petty dependent person. This cliché is not borne out of studies of the health and social adjustment of various elderly populations.

The most important item in determining whether retirement is a boon or a tragedy seems to be money. Income and social status are closely related in our society. Short of deprivation, however, the elderly are not as concerned with many of the things money buys as are younger people. The emotional, social, educational, psychological assets that a person brings to retirement are of great importance in influencing his success or failure.

Whether retirement is mandatory or voluntary has an effect on a person's adjustment to retirement. Considerable work is needed in this area--good hard research work to know what we need to know. The total quality of life that the retired person in our society may have, his health, his social and economical status, his mental and physical adjustment to the inevitable changes brought about by advancing age can be improved and it will be further improved as we study more and give more attention to the needs of the elderly and to the ways of meeting these needs.

The relationship between retirement and unemployment must be studied. The composition of the labor force can be influenced by delaying entrance of young persons into it through increasing educational opportunities.

Retirement may seem far away now to those of us who are in school--high school, college, or graduate school. But by the time we crawl out of the school door, we are thirty or forty years old and looking around to meet the world. Delaying entry into the labor force may be one way of coping with the kinds of problems we have been talking about and by altering the rate of departure from work for the elderly. The national economy as it presently is and as it appears likely to be in the next few decades can afford to expend greater attention and assistance to the problems of retirement, pre-retirement, and post-retirement. This does not necessarily mean giving the retiree more money for living expenses. It means such things as re-definition of paid work versus increased pension, of reallocation of work and leisure in that person's life. It means providing retraining of the entire work force to lessen the traumatic effect of an abrupt call to cease working in later years. For that is what retirement means now.

I stop here and I do thank you for your indulgence.



Reaction to Presentation by Dr. Arnold Krugman

Mrs. Mary Snyder  
Geriatric Nurse Specialist  
Guilford County Health Department  
Greensboro, North Carolina

I will start off by saying I do not think 65 is at all old. I think persons in this age bracket are getting into their prime because of the experiences they have had in the past. They should be permitted to share their accumulated skills and knowledges. You do not get experience out of books.

It is fascinating to work with older persons. But I have many concerns about them and their situation in our fast moving society.

About 1880, someone decided that 65 was the magic age of retirement. In 1880, the average life span was forty years. Accordingly, these people did not retire, they lived out their lives in the work force.

Now, the average life span for the female is 71 and for the male, 68-69. Furthermore, if you live to 65 this means you are basically a sturdy specimen and you can look forward to 20 more years of living. So whether you are going to spend or anticipate spending at least 20 more years without work association, this is just up to the individual--how you have prepared for retirement.

I would like to respond to a specific remark that you made, Dr. Krugman, and I would like to quote because this is very important and I want to give it punch: "To increase our awareness and hopefully to look at some of the issues involved with different perspectives than we have utilized in the past and to continue to understand a little better what kinds of problems we need to address ourselves to." The key words in this quotation are "to understand". I would like to add one more and that is "empathy".

When you said pause to think of yourself as a retired person, I really wished everyone of you would give some time every day to putting yourself in a retired person's role. Retirees usually receive a watch upon retirement--what is the need for a watch at retirement? This is the time in the retirees' lives when they are not following tight schedules except by their own choosing. Yet we need to be aware of what is happening around us. We have family members who are older, we have neighbors, we have other older people in the community. Are we aware of what is occurring in the lives of these older persons?

In Chapel Hill where I lived for eight years, I and my friends lived in what you could call an enclave of professional older women. I had an apartment and one of my neighbors said, "For pete's sake, get a man in there." Because we were all highly trained professional women we each had a home and every day we moved out of that little nest into the working world, and then returned in the evening. We looked upon retirement thinking, "This will be our life?" That hurt. So we need to be aware of what we can face as a retired person.

I want to refer, Dr. Krugman, to your noting the vantage point of the retiree's social, economic, community, medical, political, and government roles, all of which blend into an extremely complex package. While we live in a youth-oriented society, the retirees must plan ahead with these vantage points in mind. In the work I am doing, I am not so sure that these vantage points have been utilized except for that special individual who has planned ahead and has also been lucky.

Those retirees who have lost work associations, who have lost friends, have fewer interests to share with others. Individuals who are employed have little to share with those who are unemployed. Furthermore, the loss of income is fantastic. I am working now with persons who are in their 60's and chronically ill, but it is interesting to listen as they look back. They know this area of retirement from years ago. One little lady said, "I got married at 16, I was working in the mill at 7 cents a day." Now we know that living costs 60 years ago were low, but on 7 cents a day as a starting salary, she and her husband, who is 89, saved. They have a little place, a former mill farm, that they were able to buy after years and years of employment.

But what does a lump of savings mean in today's economy? To produce our Gross National Product now requires only 2/3 of the workers of 60 years ago. What happens to the older workers if only the most knowledgeable, most actively trained can hold jobs? The older person will be facing an earlier retirement. Experts talk about retirement at 50 and at least one labor union is even talking about retirement after 20 years of employment. This means that persons starting work at 21 will have reached retirement at 41.

What is retirement all about? It is a period of transition and this represents change--"all of the ingredients to constitute a crisis". How a retiree handles this crisis has a tremendous influence on the rest of his life and on the lives of those about him. The individual who can accept retirement is physically, emotionally, socially, and economically well-prepared. But the generation gap between the older group and the middle-age group is just as big as the generation gap we hear so much about between the middle-aged and the teenager. All over the world, we are running into situations where there are five generations in a home situation. Stop to think of it!

I was with a nurse in High Point the other day and visited a delightful 89 year old lady who was physically incapacitated but mentally alert. She is extremely fortunate in that she has a married son who lives in a home on one side and a married daughter who lives just across the street. Her son and daughter are in their sixties. When the daughter came in and I saw her white hair, I realized she was a grandmother. I said, "I'm sure there must be five generations around here." The daughter then showed me a picture they had taken at Christmas of five generations.

This young lady of 89 was also formerly a mill worker, never earning much money, but she was more fortunate than the highly educated, professional

person who has highly educated children who had gone to the far corners of the world and left the old parents alone at home. We run into this situation, too. On the basis of economics, home health service does not only serve the poor. But this lady with her family around her--this is what I would like to see us get back to somehow. This is the most supportive situation for an older person to remain happy in the advancing years.



Reaction to Presentation by Dr. Arnold Krugman

Dr. Frank Starr  
Vice President and Medical Director  
Pilot Life Insurance Company  
Greensboro, North Carolina

Dr. Krugman and Mrs. Snyder have done an outstanding job of giving us a quick insight into retirement as it is viewed by working people and as it is viewed by the retirees. I believe these views are frequently distinctively different. I, myself, know the inner pangs of disappointment which I felt upon discovering that my own retirement date is twenty years in the future rather than nineteen as I had cheerfully concluded because of a careless error in arithmetic. I believe Dr. Krugman will probably spot my deficiencies in arithmetic as a classic example of the Freudian slip. It is probable that as my retirement date approaches my arithmetic will not improve; my errors will tend to postpone rather than hasten the day of my own retirement.

It is interesting to those of us in industry to note how much importance is attached to a company's retirement plan when a young man seeks employment. A liberal retirement plan, with mandatory retirement dates, is almost a necessity if an employer is to attract and employ desirable young talent. Yet, through the years the same desirable talent that placed so much importance on retirement benefits often resents the mandatory retirement date that is imposed upon him, as his own retirement date approaches.

We see some people retire at the age of 65 filled with animosity for the company which will provide a reduced but adequate lifetime income. In contrast other employees, retired under identical circumstances, feel a keen sense of loyalty to their employer who has been providing this most costly of all employment fringe benefits. This speaks clearly, I believe, to the point that industry not only should endeavor to provide financial security for retired employees but should also be concerned that these employees are prepared for retirement so that this time of life can be productive and rewarding for both the individual and his community.

My company talks freely about retirement. We provide liberal financial support for employees who must retire at age 65, or earlier if they choose. About five years prior to retirement an employee is told in detail what his retirement income is projected to be and what options are available to him. He is encouraged to plan for retirement by reading library books made available to him dealing with adjustments and preparations for retirement. Three years prior to retirement he is given a subscription, mailed to his home address, to Dynamic Motivation, a monthly publication of the American Association of Retired Persons. We hope these gestures let our employees know we are interested not only in their continuing financial security but also in their total well-being. But even so, in the more than twenty years in which we have provided these minimal free pre-retirement counseling services, no more than half of those employees have taken advantage of the special library for pre-retirement planning.

Could it be that employees who willingly permit an employer to plan the bulk of his adult life, because an orderly system of industry requires it, are

unwilling to permit that same employee to enter into the planning of that one portion of his life which is the exclusive domain of the retiree and his family? If this be true, could an independent pre-retirement counseling service, even one supported by industry, be more effective in providing pre-retirement counseling than the employer himself? The attitudes of the retiree's family before and after his retirement are of major importance. But the employer has limited opportunity to invade the privacy of the employee's home to provide much needed counseling services there.

Perhaps the biggest problem of all is faced by the housewife who must suddenly adjust her routine to accommodate a retired husband who is ever present, restless, and suffering from acute loss of self-esteem. How well the housewife adjusts to the situation and how effectively she provides much needed psychological support will probably determine in large measures how successful the retiree himself will adjust happily to retirement.

From the vantage point of many of us, retirement in the distant future is viewed as paradise. But from many of our fellow employees who have retired or will soon retire, I am led to believe that retirement loses much of its charm when it becomes reality.

Some of us still have time to plan. We should do what we can to assure that the deferred compensations of retirement which our employees and most of us value so highly in our youth are not disappointments in our maturity. Dr. Krugman has emphasized the significance of our finances in the retirement years. I think that it should be pointed out that a careful study of older people who are now retired is probably not a fair comparison of what we can expect in the future.

Industry's retirement plans have not really been in existence a great length of time--two or three decades in most instances. The population which is now retired under these industry retirement plans has had little opportunity to build up enormous benefits under the various programs. Maximum benefits will accrue to those people now entering the labor market or who have entered gainful employment in the past ten or twenty years. In the future, our current unsatisfactory situation should improve as each year goes by. Financial capability of retired employees should become better and better, so we can look forward to some improvement in this area.

But I think also that probably one of the most important times in counseling an employee concerning retirement is actually at the moment he enters the labor force. I think it is impractical to expect industry to provide a continuing level income for the employee in his retirement years. It is possible, however, for the employee himself to assume some responsibility in this area. The major expenses of life, purchase of the home, education for the children, and payment of life insurance, all are incurred during the younger, more productive years prior to retirement. With careful planning, these major expenses can be geared to coincide with whatever the magic retirement age happens to be; now it is 65. This financial planning can be centered around age 65 with a savings program geared to this retirement age together with a projected reduced income. Such planning could actually continue the employee's discretionary spending at essentially the same level as it was prior to retirement.

Therefore, I think that the employee himself needs to be counselled along these lines at the time he enters into the labor force in order to give him opportunity to participate in the financial planning of his future. I think we have gone too far in the direction of permitting employers and government to provide all of the security for the individual. The individual needs to feel that he himself has responsibility in this area also.

I have an 85 year old friend who lives life at the fullest. On her 70th birthday, she said, "I have had my three score and ten, from here on out, it's going to be dessert." And indeed it has been. We need to learn how to instill this same joie de vivre in all of us and all of our employees if we are to gain the maximum benefit from the retirement years.

I congratulate Dr. Krugman on his helpful and interesting summation of retirement.



## Questions and Answers

Dr. Arnold Krugman, Mrs. Mary Snyder, Dr. Frank Starr

Dr. Krugman:

In one sense, we have been talking about people whose world of work and their occupations has provided a number of factors other than income. This represents a sense of identity, a sense of personal value. The title of senior vice-president is imposing and has some clout, as Dr. Starr undoubtedly knows. In addition to the clout and the identity which comes from the job, other things in Dr. Starr's life have made him a total human being. He may, you know, be president of Kiwanis or vice-president of wherever it is if the title is essential. He may be a father of seventeen kids all of whom like him and husband to an ever-loving woman.

Yet a job or a profession occupies only one piece of a totality. But if one job is a person's entire focus, then he has problems. His identity problem or self-evaluating problem comes forth in retirement.

There are many persons who are fortunate; there are many people who are not. You know, I am sure, of the senior vice-president whose job is just a burden, just a place to earn money. This person frequently retires at a better adjusted level. He could not care less about what you know of his previous title or of the implications of being a worker. This person wants out as soon as it is humanly possible. So this kind of problem is not a generalized one. For some, yes; for others, no.

We should be able to expand through the course of life, expand into areas other than the world of work. I think this is essential.

Question:

There has been a recent study on the benefits accruing to members of the labor force upon retirement. It has been found that only one-third of our labor force receives any benefits from the various pension plans under which the employee has participated during his working years. One-third of the labor force in the United States gets any benefit from their pension plans. If we counsel new employees about retirement, and I think this is a sensible view, we have also the factor of employment mobility. This is not job-hopping per se, this is opportunity of using one's knowledge more fully, greater opportunity for personal expansion, for personal growth. How do you three react to this?

Mrs. Snyder:

Well, I'll say it loud and clear: You know we are a mobile group and we go from job to job and do not think about retirement and pension payments as being important. Not to have mobility would mean twenty years with the same company. This is quite a lump of time and our young people are not planning to invest their time in one lump sum. So they end up without a pension.

Question:

Well, you expect, Mrs. Snyder, that the youngster should rightly think about this?

Mrs. Snyder:

As Dr. Starr said, when they start their own planning, they should be informed about the long time range of planning.

Dr. Krugman:

I could not agree more to that, but I think also there are built-in controls which hopefully will improve this situation in the future. Most retirement plans now provide some shortened time participation in a retirement plan before one is fully covered. This means that after having been under a retirement plan for a certain number of years, that employee is entitled to benefits upon attaining age 65 whether or not he stays with that employer. Now this benefit, of course, is not immediate. But it can be used as a rationale for retaining employees.

You said that these people are not job-hopping as such. They are going up the ladder. Now this is a consideration in moving up that ladder. Does the step up justify the long deferred compensation in the future? Is this indeed a step up, or is it a new short-term gain at the expense of long-term losses? So this is one of the things that young people, when they still have time to plan, should be counselled to consider whatever they evaluate new job opportunities to be. The new paychecks which they may take home are not necessarily larger.

## PERSONAL GROWTH IN RETIREMENT

Dr. Earl Kauffman  
Director  
Council on Aging  
University of Kentucky  
Lexington, Kentucky

## Introduction of Dr. Kauffman

Dr. Naomi Albanese  
Dean  
School of Home Economics  
The University of North Carolina at Greensboro

It is a distinct personal pleasure to introduce our next speaker for I have had the opportunity of being on the campus of the University of Kentucky and seeing some of the things Dr. Kauffman has been doing. When I visited Dr. Earl Kauffman in January of this year, I commented that I hoped it would be our pleasure and privilege to have him on our campus to describe some of the things which can happen through personal growth in retirement. Never did I think that so soon we would be privileged of having him here.

Dr. Earl Kauffman, who is by birth coming to us from Colorado, did his undergraduate work at the University of Illinois and holds two advanced degrees from New York University. I think perhaps that the most distinctive feature of his long, productive career is his association with the University of Kentucky and its Council on Aging. Dr. Kauffman has proven to individuals in higher education that retirement can truly be the most personal productive years in the lifetime of an individual.

I am happy to introduce to you Dr. Kauffman who will be talking about and discussing with you the programs at the University of Kentucky which encourage anyone 65 years of age or older to attend degree programs and other classes at that University without charge.

Dr. Kauffman, it is a personal pleasure to have you on our campus.

Dr. Kauffman:

Thank you very much Dean Albanese. I must extract a promise from some of you who are associated with this University at Greensboro: Will you please refrain from telling Dr. O. Singletary that I am here? Commencement on our campus takes place Saturday and I just may not be able to leave this beautiful part of the United States in time to return for that occasion.

I am deeply grateful to be here. Might I just tell you a word about President Singletary? We on the campus of the University of Kentucky are exceedingly pleased that he is our president. It has been said that since he has been with us, a number of good things have happened.

One year ago on this very day we had a confrontation on campus which may have resulted in the burning of a building. But both sides of that episode felt sorry for their own actions and reactions. Now at our University, students and administration are much closer together than they have ever been. One of our Donovan Scholars, a woman of 89 years of age, recently asked permission to meet with our Development Officer. This is the man who is responsible for talking to people about their family's disposal of their estates.

The lady had also gone to one of the campus leaders who was really out in front last year and persuaded him to go with her to see our Development Officer. The student leader was reluctant at first but the lady prevailed upon him that here was a good opportunity for a few to be united. As it turned out, this proved to be a meeting of reconciliation and understanding. Because here in the presence of an 89 year old lady seeking to make final distribution of her estate in the presence of both the young man and the officer of our institution, it was possible for three generations to talk together about the future. And I would suppose that if there was any testimony that I might offer in support of the idea of older people becoming associated with younger people within the context of the University, this case is the prime example.

I probably need to say that I, too, have a serious personal problem with respect to retirement--usually it is the shoemaker's children who have no shoes. But my wife and I have been attempting to plan for retirement. And just about the time I think everything is all settled, I overhear her talking with some of her friends saying, "I married him for better or worse, but not for lunch everyday!"

I was impressed, Dr. Svenson, with what you were saying relative to retirement planning and also with what you were saying, Dr. Starr, about the time to begin retirement planning is at the time of initial employment. This seems to be so very consistent, Dr. Starr, except that it probably creates a problem for some of the older employers.

At Rotary the other day we were talking about the recent college graduates one of the club members had interviewed. He was amazed that these people were asking, "Tell me about your retirement plan." The recent graduates were much more concerned with security today, and security through the years, especially at retirement, than they were in the job itself. To an older group of men, this concern was something of a shock.

In all probability we are making serious error by planning future retirement on the basis of present situations. I sincerely believe that today we are standing at the very threshold of opportunity to develop a new life style in which we are going to take our values from leisure and from retirement rather than from labor and from wages. Dr. Comfort, the distinguished English biologist, together with a number of other biologists and physiologists, confidently predicts that it is entirely possible that man in coming generations will live longer than he is living now. Therefore, we might very well consider at this moment the full extension of man's life span. It is regrettable that we call freedom from labor by the horrible word "retirement". The connotation is in the legacy of that word.

This business of aging has intrigued men for centuries. The dilemma of aging was touched upon by Aristotle. Some of his remarks are important enough, I think, to mention here. Aristotle said, in his essay, Youth, Age, and the Prime of Life, "They (the elders) have lived many years, they have all . . . made mistakes. And life from their vision is a bad business. The result is that they are not sure about anything."

Now and then I think of some of the other characteristics of these older people noted by Aristotle: they think but never know; they are cynical; they are distrusting; they are suspicious; they are small-minded; they neither love warmly or hate bitterly. Because these older persons have been humbled by life, their desires are set upon nothing more excellent or unusual than that which will help to keep them alive. They live by memory rather than by hope for hope is of the future and memory of the past.

In viewing the great stress imposed by personal economics, I feel that I should once again stress two thoughts taken from the writing of Aristotle: First, because they have been humbled by life, and secondly, they live by memory rather than hope for hope is of the future and memory of the past. It seems to me that this is what has been stressed so far this morning--humbled by life, without hope. In other words, retirement is an unwilling experience.

Not very many people I know really view with joy the coming of the day when they can hang up their apron strings, say good-bye and turn their backs on life. In contrast to Aristotle, Plato said, " . . . there can be no doubt that the elderly must rear the younger."

Cicero, too, was concerned with problems of aging. He reasoned that the causes of unhappiness among the elderly were: age withdraws us from active life; it impairs physical vigor; aging deprives us of nearly all sensual pleasures; it constantly reminds us of the verge of death.

In modern day literature, these thoughts of Cicero may be called "the fear of disengagement." Old age withdraws one from active employment requiring youth and vigor. Yet employment can be carried on by the intellect even if the body is feeble. Older men and women, employed for their wisdom and intellect are preserving and continuing our culture. There is nothing in the argument that old age is the end of useful activity. The aged may not be doing what younger people do, but what they do is frequently more important and better executed. Large affairs are not performed by muscle and speed, rather, they are performed by reflection, character, and judgment. In old age, these qualities are not necessarily diminished. Rashness belongs to me and you, and not to old age.

My thesis is that we have opportunity to develop a new culture with new dimensions taking values from the leisure of retirement and from the rewards of rich experiences.

I was going to give you a short questionnaire today but my wife talked me out of it. I wanted to ask you one question: Who are you? And you

would have answered, "I am a professor; I am a nurse; I am a vice-president", and so on. You, ladies and gentlemen, would have said what you are in terms of work title. I really wonder what you would have said. Would you have said, "I am an insurance man", or would you have said something else? I think you get my point.

The subculture of aging is one of the things to which I am devoting my energies and talents such as they might be. A subculture of aging is emerging. Older people are conspicuous because there are so many of them. These people are insulted because they have so much to give but are asked to give little. The problems of older people are demanding because their needs are so acute. Institutions are being erected to accept the talents they bring and to provide the sustenance they require.

Leo W. Simmons writes, "I have reached a ripe old age not guaranteed by nature for everyone. Success for the last of life is a distinctive achievement that constitutes a two-way relationship. On the one hand, the environment must permit it and the culture must promote and sustain it. On the other hand, the aging person must fit in and fulfill his functions within the social context. Thus, a good old age must be active and must be kept growing to as near the end as possible."

Is it not an interesting point that society must sustain old age? That a good old age must be active and growing to as near the end as possible?

The chief means of security and success in aging are achieved through thoughtful adjustments to other persons and to the social system--the reality which the aged know. The saddest people to deal with are those who are not associated with anyone and the most difficult problem is the establishment of a social system that sustains people in their older years.

We seem to be overwhelmed by the theory that the older person should pursue functions which are productive. Members of society, it is completely clear, apparently believe in the economic concept of production as being of utmost importance. Sociogernatologist Edward Palmer states that relative to the sociological aspects of aging, "American society will develop new roles for the aged and expand their present useful roles." The question which bothers me is Palmer's definition of useful roles. He said that some of the roles for older people are productive in being professional grandparents. Well, that's good. Project greenthumb--that's good also. But these are all projects designed with the idea of putting older people on the payroll in order to bring them back to productive society. I maintain that there are other purposes for older people.

The answer to the question about usefulness in older years may be found in the major promise of high morale. High morale in retirement is essential to maximizing life for as long as we live. I am concerned with helping older people achieve a state of high morale. By definition, this means a state of zeal, cheerfulness, and confidence which is achieved by becoming involved intellectually, socially, and physically in experiences which are meaningful to the performer and to his social reference group.

My whole thesis in working with people in pre-retirement and retirement planning programs is to help them achieve high morale. High morale is defined, as I have stated, by zeal, cheerfulness, and confidence. And this is achieved by becoming involved intellectually, socially, and physically in experiences which are meaningful to the older person himself and also meaningful to the social group of which he is a part. We can achieve this by helping the individual directly and by creating positions so that they might see that older age has a value which is important to society as a whole. The second purpose stresses that problems of older people arise when these people are lost in the maze of the youth-oriented work value culture which apparently has made place for them in the development of their own way of life.

We need a subculture of aging. The ingredients of this subculture are already available. Peterson points out that a subculture begins to take shape when members are positive or affirmative for each other. And, indeed, older people do feel kindly toward each other. And secondly, older people are somewhat excluded from the larger society because they are not on the "payroll".

There are several other topics which we should consider. I would like to point out that there is a beginning belief of the utility of old age on the part of a few people. For example, George Orwell, in his novel 1984, talks about the rise of the elders in which he describes an age-centered culture in which youth competes with each other for the privilege of growing old. The younger men depend upon the wisdom of the aged and the new vistas of freedom given to aged.

Can you imagine it? --young men and women starting out their life careers with the idea of competing for the privilege of growing old? It probably is controversial now that older people should become leaders in our society as they have in other societies throughout history. Certainly we can not now find much evidence to support the belief that youth should trust anyone over 30 or 40. Yet there may be presently some useful contributions to understanding older people brought forth from the context of our time.

As our culture develops, life span increases, too. With the utility of wisdom receiving social sanction increasingly, society will use younger men less and older men more. Presently older persons are working ten years beyond that period which once was identified as being unemployable. In technological society there is little use for muscles of old men. We know, too, that energy utilization is essential to the maintenance of the organism; otherwise we have death. Thus, we are faced with the choice of integration or death.

Perhaps we need a cultural revolution and a program which permits the constant exercise of comprehensive judgment. This program would build behavioral responses into the individual which carry over into later life. This behavior, in turn, maintains a state of psychological readiness.

I now want to talk about several delivery systems of providing programs for older people. I am only going to talk about those programs at the University of Kentucky because I can speak of them with some degree of confidence and I am going to refer specifically to school bells ringing for grand-parents. I want to talk first of all about the Donovan Fellowships for Senior Citizens, a living memorial to the late president emeritus of the University of Kentucky. This program provides tuition free for college education to qualified people 65 years and older.

Since its inception in 1964, enrollment in this program has totaled 893 and the people have come from everywhere, from almost any imaginable employment background and educational background. Donovan Scholars study literally everything, from Art to Zoology. Some have graduated. Not all Donovan Scholars take courses for credit, but those who do are good students. They have earned an over-all 2.39 grade point average against the University norm of 2.01. Their attendance record is excellent. It may be too cold, too snowy, or too icy for regular students and professors to get to class, but the Donovans are on time. Donovan Scholars, these people 65 years of age and older (in our present range, 65 to 89) attend classes along with the regular students. They sit side-by-side with boys and girls the age of their grandchildren or, in some instances, great grand-children. They compete for grades just as the young people do. They sit and participate in class at the invitation of their professors.

Donovan Scholars are people of high distinction. One woman, a widow and a former missionary to India, completed her work career as a teacher and followed that by a tour of duty in Vista. This week she is graduating with the highest honors of the University. Another excellent person, who as a youth was a ballerina with Ziegfield Follies, is now a woman in her seventies. This Donovan Scholar devotes her time to international students and unofficially is a host-mother to girls from other countries who live in University housing where she has an apartment.

There are many other stories I could tell you. I could tell you about the man from San Francisco and Los Angeles who was a retired engineer from Pacific Bell Telephone. He applied for a Donovan Fellowship and was accepted. When he received the letter announcing his award, he went to the office of the American Airline Corporation and demanded a student fare ticket. Well, of course, the establishment was upset, but he was persistent. Finally his letter was kicked upstairs to the president of the company. The president personally handed this man a complimentary first class ticket to Lexington. The next day the company changed the age limit on the student tickets.

There was an article in Adult Leadership not long ago which stated that older people are not interested in education. But there was something wrong with that article because in recent bulletins of the American Association of Retired Persons and the National Retired Teachers Association, there was an announcement about our Donovan Fellowship and we have had over 300 inquiries in the last two weeks about our program. Older people do want to come to the University.

I wanted to tell you about two other delivery systems at our institution. One is the writing workshop for people over 57. Some of the great writers of our day come to give instruction in this program which is limited to 50 people who qualify by submitting their own manuscripts. The third system of continuing education I like to mention because it is so simple, so easy, and so cheap. I think it is useful anywhere. The program is called Continuing Education for Older People. This is a program which is done in our campus, with the assistance of counsel, the work being carried out by volunteers at the local level. An inquiry is distributed throughout the community-- What would you like to know in your years of retirement? These questions are tabulated and then form the basis of course content which covers 8 or 16 clock hours. Class participants include social security man, the doctor, the lawyer, the teacher, or what have you. It is surprising how many people have heard about this program.

I would like to conclude with the question--What does all this mean to people? Let me read some of the typical replies: "There is inspiration and companionship and much information to be had in the program." One woman writes: "This is like a drink of cold water to one who was so anxious to learn."

The major conclusion I have to make is that morale in retirement is achieved through involvement, intellectually, socially, and physically, and in experiences which are to be found as school bells ring for grand-parents and you have the opportunity of ringing school bells for grand-parents in North Carolina.



# Reaction to Presentation by Dr. Earl Kauffman

The Reverend Robert W. McKewin  
Administrator  
The Penick Home  
Southern Pines, North Carolina

I am the last speaker before lunch. This gives me an honor that may possibly be advantageous since people are supposed to be much more alert when they are hungry.

Let me tell you briefly who I am and why I think I was invited. I am the administrator of the Episcopal Church Home in Southern Pines, North Carolina. It is a small home, only 65 or 70 people live there. Our average ranges roughly rather close to the ages of Dr. Kauffman's Donovan Scholars at the University of Kentucky. Our youngest is now 66, our oldest 97. Living at our retirement home is a matter of personal choice for those who have selected this particular way of life after they have reached the point where they, for one reason or another, feel that they should no longer remain in their former community. Quite possibly, they are in that socio-economic educated group which has their own children scattered far abroad, not only across our country but across the world. Thus, they do not really participate in family living, nor do they enjoy close family relationships.

We had one lady staying with us three months last summer who had a son in Brazil and a daughter with her husband in Denmark. A native of Greensboro, she did not feel that she wanted to reorganize her life in such a way that she could go to either of those countries. So she came to dwell with us.

We have programs of maintenance for our people that are designed to help them recognize that they have decades of life remaining for them. If one comes to our home at 65 and lives to be 97, they have a considerable number of years in which to make our house their home. If what the doctors tell us is true that life expectancy is going to continue onward and upward, it may be that someone coming to us at 65, 70, or 75 could have 40 or 45 years or even a half a century of life in community environment freed from the necessities of personal duties, such as housekeeping. Let me say now that it is possible for women to retire from housekeeping as well as men to retire from their work functions. I think I can even speak in favor of that. So it may be well that our older persons reach a time when they do not involve themselves in routine housekeeping activities, but involv  themselves in personal activities which are enjoyable to them.

One of the things we have done is to provide for our people a residence council. This residence council is basically their government of the home. They are our employers and they instruct us what they want and the type of program they want for their living. If they want to live with us for forty years, they should have their own government!

They should not be enslaved by our systems of thinking and by the assumption that we hold all of the answers for them. We have sympathy for the elderly but we have no real empathy for them until we, ourselves, reach that stage.

About six or eight months ago, we began exploring the possibility of developing courses for our people. We have been proceeding rather slowly. Our experience in the field of education is similar to the experience Dr. Kauffman has had at the University of Kentucky. Our people also felt that further education was like a cold drink of water for someone who was thirsty. They wanted to learn for learning's sake. They wanted to have the social experience of an interrelationship with others. And they wanted to have an opportunity to discuss with each other, in a controlled group, some of the things about which they are concerned.

For example, our people began with a course in North Carolina history. And when you consider that one of the ladies who attended the course was born in 1876, sixteen years after the end of the Civil War, it was quite apparent from the very start that she and several of the others were teaching the course of North Carolina history to the instructor rather than the other way around. They had lived North Carolina history. Many of them had lived half of the history of the state of North Carolina. And they did have a lot to contribute. Thirty-seven of our sixty-seven people attended this particular course. We also had people from the community participating so we found ourselves with a larger part of the society in Southern Pines instead of just being our own little community on the hill. As a result, our elderly had opportunities for interrelationship with other people.

Since their first course, we have had three other courses; and not one of them was in art or painting.

There are other things the elderly can do. I think what I hear being said at this conference is that there has to be life within a society that involves participation of all people and that this has to be meaningful participation. Whether this is done in a little segregated group or done in the larger community of Greensboro, does not make much difference.

An old lady who lives in our home was our librarian for 6 years until she reached 95 and then retired from that because she felt that it was just a little but too much for her. This same lady would go out each morning, first alone and then as her years became greater, with others, to raise our flag in the morning and lower it at night. This lady involved herself in a personal chore which she felt was a necessary one in our society.

Three other ladies who were homemakers felt that our cooks just do not know how to cook. They have formed a committee to sit with our dietician and our cooks to teach them how. This has given them a meaningful role which had no relationship to income. They felt themselves to be part of the larger world. They look forward to an eternity of responsibility - a responsibility relating to all people, young and old, rich or poor.

At our home, some of our people in their 80's and 90's meet with students of Sandhills College where they have the opportunity to express their interest and concern in the future of the world and to hear the young people express theirs. They all truly share, not on an inflexible position that everyone seems to feel that elderly people get into, but really share with a lot of flexibility. Our people display their willingness to grow and to learn throughout the last of their days.



## WORK AND INCOME IN LATER LIFE

Dr. Juanita Kreps  
Dean of Women  
Professor of Economics  
Duke University  
Durham, North Carolina

## Introduction of Dr. Kreps

Mrs. Jean Eason  
Director  
Continuing Education Guidance Center  
The University of North Carolina at Greensboro

I take pleasure in introducing to you a lady who many of you undoubtedly already know or have heard about: Dr. Juanita Kreps, Professor of Economics and Dean of Woman's College of Duke University. Professor Kreps holds a doctoral degree from Duke University where she has also served as Director of Undergraduate Studies in Economics. She is married to Dr. Clifton H. Kreps, Jr., Wachovia Professor at the University of North Carolina at Chapel Hill. They have three teenage children.

In addition to preparing a leading text in economics, Dr. Kreps has written extensively in the areas of labor and manpower and in the economics of aging. She has served as a consultant to the United States Senate Special Committee on Aging, as a member of the Council of the American Association of University Professors and the Executive Committee of the Southern Economics Association and chairman of the Committee on Fellowships for American Association of University Women.

Currently, in addition to her teaching, writing and administrative duties, Dr. Kreps is a member of the Board of Directors of the National Council on the Aging, elected trustee of the Teacher's Insurance and Annuity Association and vice-president of the Gerontological Society. Dr. Kreps brings a strong background of studies and experience as she speaks to us today.

Dr. Kreps:

Thank you for inviting me. It seems to me that a modern economist should try to bring to a conference on pre-retirement planning a statement of the economic underpinning of the retirement phase--the way in which we should come to a situation in which people can look forward to retirement. But most especially an economist should present what some of the income problems are for those people who live through a long retirement period. And so, what I am going to say does not fall directly under pre-retirement planning. I think it does have some bearing, however, in the sense of pointing out what those issues are for people who are already in the retirement stage. I want to start with a reference made by the Chairman of the Senate Special

Committee on Aging, the task force which has worked on the economics of aging, toward a sharing of abundance.

Every American, poor or rich, black or white, uneducated or college trained faces a common aging problem. How can he provide and plan for a retirement period of indeterminate length and uncertain need? How can he allocate earnings during his working life time so that he not only meets current obligations for raising children and contributing to the support of the aged parent but has something left over for his own old age. Economic situations of the aged today speak ill of the solutions to this problem in the past. But people who are now old were hampered in their efforts to prepare for their future by two world wars, a major depression, and lifetime of earnings which were generally low.

The important question persists: What are the prospects for the future aged? What do we intend for ourselves when aged and what are we to provide for those who are already old? How are older people now and in the future to share in our economic abundance? This, it seems to me, poses the central question, or a central question, for all pre-retirement planning. If you were born in this country, and I speak now to those of you in the audience who I see are probably in the retirement phase, you are likely to take your retirement in the present or future quite for granted. For several years prior to your retirement, you have prepared for this new phase of life and throughout your working years regular contributions from your paycheck have been made to the retirement income that you expect to receive.

I would like to point out that this concept of retirement is, in fact, relatively new. The possibility of living for eight or ten years on accumulated savings and other assets was quite remote when our grandfathers reached age 65. His life expectancy was lower than ours and so living to be 75 was quite unlikely. Also, he probably had no monthly income from a pension fund or an annuity. And with no source of income except his earnings, he continued on the job as long as he could. Because a much larger proportion of the labor force was engaged in farming, it was possible for older men to find work for as many or as few hours as they wished. But during the first half of the twentieth century this picture changed markedly. The industrial pace quickened after the Civil War and gained further momentum in the early decades of the new century and transformed the nature of the economy. Not only did the economy change but most particularly the type of work men did within it. This transformation has continued through two world wars. By 1950, these changes were reflected not only in the way men worked but also in the way men did not work, that is, in their retirement from work.

Between the beginning of the century when two out of three men 65 years or older were in the labor force and at this century's midpoint when only one out of three older men worked, retirement seemed to become established as the pattern. Now we have only about one man in four, a little less actually, who continue to work after age 65, even part-time.

Other changes took place in the first half of the century. The birth rate declined and life expectancy rose and the result was what we called "an aging population". This aging led to new considerations and special problems for older people.

Our capacity to deal with these problems came from yet another aspect of the transformation, that is the increasing output of the economy itself. The first half of the twentieth century witnessed such improvements in national product that the American economy could now afford to retire men at age 65 or even 62 without jeopardizing output. In fact, we have come seemingly to the point where not only our economy can afford retirement, it appears to require it as well.

Allow me to make some comments on the role of this new life stage. The practice of retirement as well as the shortened work week and delayed entrance into the labor force are all basically the result of increased productivity per man hour. Each development is made possible by the growth in output which enables man to produce enough goods and services to meet his family needs in less than a twelve hour day and in a working life that is considerably shorter than the one which began at age 14 and ended at the worker's death. It is possible with modern production techniques and capital equipment not only to provide for current needs but also to acquire claims against goods from the form of retirement income. It is obvious, of course, that in a less productive economy, retirement is never possible. With respect to lower productivity, it is not possible to subsist on the product earned in the short work week. It is not possible to keep children in school long enough for them to become truly professional or technical members of the labor force, possessing the ability to reach high standards of productivity.

Output per man hour is so low in most of the underdeveloped countries that all persons are required to work practically all their lives, and leisure in any form, invites starvation. The contrast between these two extremes points out the advantages of living in a society such as ours. Higher productivity--hence, high living standards, a lowered work week, more leisure, elimination of child labor, improved education. The dual effect in all cases is more goods and services and more free time in which to enjoy them.

The leisure time provided by retirement, although arising from the same set of circumstances that creates a shorter work week and postpones the age of entrance into the labor force, may not be greeted with quite the same enthusiasm for many reasons. A sudden and complete withdrawal from work may prove a very difficult adjustment. Full-time leisure may strike the new retiree as a dubious blessing; an accompanying drop in income may restrict his leisure activities considerably. Ideally, it seems to me, if the retiree could balance his desire for leisure with his desire for earning income and continued participation on the job, he probably, in most cases, would retire gradually rather than suddenly at 65.

I want to talk mainly about the problems of income in the retirement period--complete withdrawal from work at age 65 or earlier in many cases. This complete withdrawal presents one with an abundance of free time but very often with a dearth of income, also. He may, of course, have had a dearth of income when he was working, too. The abrupt dropping of income that usually accompanies retirement is hard to adjust to. For although living expenses may fall a bit, they will surely not decline as much as most persons' incomes.

The distressing inadequacy of income of most old people who are at present 65 or older may be cited with just four illustrative statistics: 1) The median income of families with an aged head (that is 65 or older) earned in 1969 was only 48% of that of families headed by persons 64 and under; 2) One out of four old people lived in poverty according to our national standard index used in 1969; thus, one out of four old people are in poverty circumstances in comparison with about one out of nine younger people; 3) More than one-half of the older families have incomes below \$4,800 a year. And one-fifth have incomes below \$2,500 a year; 4) More than one-half of the older single persons who live alone or with persons who are not their relatives have incomes below \$2,000 a year. And, one-third of all older single persons have incomes below \$1,500 a year.

These figures, I think, very simply point up the extreme income needs of most older people. Needless to say, many of the older people who are poor now, were poor also during their working years. Their education and skill levels were low, their job opportunities were scant and they may have been unemployed a large part of their lives. For those persons who are disadvantaged in their capacity to earn adequate income even during working years, society has to make an important decision. How much will society contribute to their economic well-being? Are we willing to guarantee some minimum family income in order to assure all persons the basic necessities, whether or not they "earned" these necessities by working in some previous period?

This is one of the key domestic issues of the moment and one over which the Ways and Means Committee of Congress is currently debating. But how can minimum income be guaranteed? The inference clearly that comes out--and the Ways and Means Committee is debating the issue of \$1,700 for single older persons, and \$2,400 minimum an aged couple. Even if these minimum guarantees come about, however, this may not resolve the issues that relate to income and retirement in the main, and the way those incomes are retirement relate to you and me.

Retirement income will be a problem to all of us--rich or poor, young or middle aged, black or white, male or female. I do not see any reassuring indication that those of us who are now in middle age, and at the peak of our earnings, are in fact going to be any better off relative to our present incomes when we retire. It is true that we will all have a social security benefit, and it is true that those benefits will be higher than are the benefits of present retirees. But, in comparison to the standard of living to which we have accustomed ourselves, the contrast may be just as extreme. The problem, you see, lies not just in low earnings during work life, but also in allocation of one's total income throughout his life.

We are in our economy, and in most economies in the western world, paid for working, and our tendency is to assume that all we earn in a year is available for consumption in that year--and a little more. We may save, that's true. We may pay for homes, we save for children's education or for next summer's vacation--or likely to pay for last summer's vacation, but we save very little privately or as a group for retirement. Even when we do

save we would have to make considerable adjustment for expenses to have these savings grow at least in accord with the rise in the cost of living.

The payroll taxes for social security purposes are one form of saving if you want to look at it that way, and it is restricted to retirement and you cannot borrow against it to send a child to college and I suspect that's unfortunate, actually. We pay for the benefits for today's retirees when we pay our payroll taxes, and in return, our own benefits will be financed by those who work while we are in retirement. But the amount we save is limited, and the benefit, accordingly, is quite low--for the standard of living. Moreover, we tend to resist a higher payroll tax because we are reluctant to forego today's consumption in favor of tomorrow's income. Until we smooth the income a good bit more--even smooth it temporarily, the retirement incomes in this country will continue to be substantially lower than incomes of those still at work.

The smoothing of income itself can occur in any one of several ways: By spreading work into later years, particularly through part-time jobs for older people; by private savings and annuities if we have that kind of money and propensities; by mid-year contributions to public retirement benefits. That just about exhausts the list of alternatives.

Different people would, of course, elect different options, but they amount to the same thing, in one important sense. The options all recognize the need for considering some reasonable balance of work and income through the life span as opposed to a concentration of work and earnings in the middle years. Recognition of retirement is a relatively new state which requires its own financial arrangements. It is obviously necessary and just as obviously lacking. The implications for this lax state of public policy have not been fully accepted and suddenly each of us needs to reexamine the perception of what lies ahead.

In economic terms, the intergenerational relations come to us in considerable force from Kenneth Boulding who says: "One of the things we know for certain about any age group is that it has no future. The young become middle aged and the middle aged become old, and the old die." Consequently, the support which the middle aged give to the young can be regarded as the first part of a deferred exchange which will be consummated by those who are now young, become middle aged and support those who are now middle aged who will then be old. Similarly, the support which the middle aged give to the old can be regarded as the consummation of a bargain entered into a generation ago. It is this bargain, however, that we made a generation ago that we are as a nation seemingly guilty of neglecting.

I would like to spend the rest of my time offering a kind of thought process which is applicable to one part of the solution to the problem; that is, a view of private savings and what it can contribute to the balancing of income between the working and non-working years. I think what we can do through the social security mechanism is pretty obvious: We can raise the tax so that we will have money when we are older in the form of social security benefits. Similarly, it is fairly clear what one can achieve through a private pension of funds, but the difficulty with what everyone says about this route is that so many people do not have access to it--that is one of the difficulties at least.

But what can you do privately at whatever stage you are, and what is the process like and what does it add up to? In order to get at this problem, we have to think about the pattern of earnings through the work life, and it is on this which I want to focus. Suppose we are concerned here just with the handling of a man's own earnings through his work life, and at making arrangements for these earnings to be apportioned in some optimal fashion, given the timing of his family's consumption needs.

In order to make this very simple and to spread a bit of cheer, let's suppose that we are young, in fact, that we are just now entering the labor force. Suppose, further, that we are all male which is a less cheerful assumption, from my point of view and I hope it is from the point of view of those of you who are male. I have to make this assumption because of the uneven pattern of women's work. At any rate, I think the point is illustrated just as well with the assumption that everybody is male and age 20. This will allow me to eliminate sex differences and the length of work lives. The assumption will also allow us to speak of a 45 year work life and a retirement period thereafter. The problem before us, then, is one of accommodating the necessary variations in consumption that go with changes in family size and composition and eventually with retirement, subject to the overall constraint imposed by total earnings in the work life.

You will see behind me if you look very carefully a large blackboard and on this is shown a two dimensional diagram. Everybody knows just exactly what a two dimensional diagram looks like and anyway, as I say, it is back there but you have to look very carefully. On the vertical axis of this diagram we are going to measure income or consumption in current dollars and on the horizontal axis we are going to indicate age--starting with the age of entering the labor force (age 20 if you like). By assumption, then, we are all at point zero--we are all 20, and we have just taken our first job. You will see also if you look at the extreme left-hand side of the diagram that we all die promptly at age 80 which lends a certain order to things which actually we always find very comforting.

First, let us discuss the usual relationship between age and income level--we are talking about earnings, almost altogether. We know by looking at any diagram we see or any table of figures that the average income of the 30-40 year old male will be higher than the earnings of the 20-30 year old male, and that in most cases the income of the 40-50 year old male will be higher still. In other words, if we started at 20, we have now gone up to the peak of life's work, somewhere roughly in the age 50. This tells us that the average income of males who are in the last decade of their work lives, say 55-65, is lower than that for the age group just preceeding and is somewhat like that of the age group just before peak earnings. The earnings curve is, in effect, an inverted U rising until the age of about 45 to 55 and then declining for the last period, and then taking a very sharp drop at age 65.

Now, this diagram leads one to conclude hastily that their incomes will rise--those of us who are 20 now, that incomes will rise until about

50 or 55 years of age and then the income will level off and decline gradually and take a sudden, sharp exit. But that is not what you conclude from this set of data at all. It is true that at any point in time the overall figure looks like an inverted U. But this does not describe the usual behavior of a particular man's income through his lifetime.

That man's income, with some few exceptions, is likely to rise throughout his work life reflecting the impact of both experience and economic growth. Therefore, what his earnings will look like--not the inverted U which describes all people at a point in time, but an income which will rise more sharply at some stages than others, but will continue to rise until he retires and then take a sharp cut way, way down and be the same throughout the remainder of life. Therefore, it is important that we think about this 20 year old in terms of what applies to him and not what applies to people in aggregate. The reason the 55-65 year old men have incomes lower than the 45-55 year old men at any point in time is that they are different men. These men entered the work force at an early, less productive era--they have had lower incomes at any age than those behind them or at that same age as those in their present age group now. That is to say, those men now at 65 have lower incomes than those groups will have when they are 65; men who are now 65 were less productive in the economy. So, there is a difference between the aggregate at any point in time and what appears to these young men now at age 20.

If our income does in fact continue to rise up to the point of retirement and then fall, what will happen to our consumption expenditures? Will we raise our living standards to absorb the rise of income as rapidly as they occur? If you will look back at the blackboard, you will see that in addition to this curve of earnings, there is also a curve of consumption expenditures which looks very much as though it were lying above the earnings curve at certain points and below it at others--meaning, at some stages people are dissaving and at other stages they are saving, but the two curves are very close together.

Is it possible that a significant portion of the income in later life may be saved for consumption in that period--that flat period from 65 on? It seems to me that this is a reasonable question to which we should give a reasonable answer.

In most families, the last child has finished school and left home by the time the father is in his early fifties, which leaves the head of household and perhaps both husband and wife (things being the way they are these days with working women) a ten to fifteen year period of quite high earnings, in fact, the highest earnings of their lifetime and at somewhat reduced living costs. If it were possible to spread these earnings into the retirement period in some systematic way, thereby reducing the extent of the drop in consumption which now marks withdrawal from work.

If I may return to my model for just a minute, we might suppose that a couple has reached the age of 50, sent their last child off to seek his fortune (although some of us may not get there by age 50, our children seem to stay in school an awfully long time these days). We might also

choose to say we will hold our consumption level fixed at this level--at that age 50 level. In order to spread the next 15 years of earnings through the remainder of this couple's lives, it would be necessary to save all the increments in income after the age of 50--in addition to whatever the couple has saved before, which is not likely to be very much except perhaps the ownership of a home. In this example, then, the couple would have both 15 years of saving and 15 years in which the income is supplemented by these savings plus interest.

Or, if we wanted to take a more extreme view at age 50, we could say we do not want to suffer any drop in our level of living at retirement, but we want to expand our income in such a way as to allow continuation of the standard of living during each of the last 30 years of our lives. Even if we must reduce our expenditures somewhat at present so that we achieve this, you will see from the diagram that long-range budgeting would be indicated by the curve of earnings which goes up in age group succession and then drops sharply.

But what about the consumption pattern? The consumption pattern rises along with the earnings curve up to age 50 and then it levels off or, if necessary, drops slightly and then it stays the same for the remaining 30 years. What then? Would we say that the individual should take a stable or fixed standard of living for a longer period of time as opposed to taking a sharp cut in income which would plague the couple over for a retirement period of 15-20 years? Even if we were to do this, we are constrained by certain uncertainties.

At what rate do we anticipate that our earnings will rise? We have to know these data in order to make an assumption about earnings. What is a reasonable guess as to the level of social security benefits? We have to know this figure and its behavior within our time frame. What are the differences in the expenses between working and non-working years? We have really not very good data to show what the cut in expenses is when a man or a married couple retires from work. How much must we allot to each successive year in order to offset the price change and thus allow the real income to be stabilized? In fact, most serious of all is some sort of implied assumption that such a reallocation of consumption expenditures would solve the income problems of the lower income elderly whose earnings late in work life, as in early work life, were low. And I hasten to reemphasize that no amount of restraining consumption is effective in these cases--you have only one option and that is to transfer more income to the older poor away from some other incomes. Otherwise you must allow them to remain poor.

None of us here, I suspect, are in the position of having had low earnings throughout life and of being unable to manipulate that last 30 years of consumption in somewhat the way I have indicated. And I suspect, moreover, that none of us expect to have a real income squeeze in our retirement years. When we talk about low income in old age we are talking about low incomes for somebody else not ever about ourselves! If this expectation holds, you may not have problems. I would only argue that most people do, in fact, face such a crunch. And this along with other

inclemities of old age seem to be no more than we should accept without some pre-planning and protection.

In conclusion, I note in passing what you all know: That biologists and medical researchers are constantly improving the physical quality of life in the age group of the sixties and seventies. And despite the common complaint that these geriatricians are merely keeping the very old alive longer and longer and thereby creating problems for the families of the aged--despite those claims, the primary thrust of their research is to add life to years and not the reverse.

But without adequate income in old age, physical stamina and intellectual vitality will have very limited outlets. It follows, obviously, that work life must be extended or some other substantial reapportionment of the income earned in prior years must be arranged.

There have been many protests against growing old. You may recall the eloquent works of Dylan Thomas, including the oft quoted line, "Do Not Go Gentle Into That Good Night." I ran across the poem again just recently in, of all places, Carolina's student paper, The Daily Tarheel. I think students have a good deal more depth than some of us are willing to admit at times. In closing, I call the poem to your attention.



## A PRE-RETIREMENT PROGRAM FOR INDUSTRY

Mr. Edward McGehee  
Director, Retirement Studies  
Industrial Relation Center  
University of Chicago  
Chicago, Illinois

### Introduction of Mr. McGehee

Mr. William Pittman  
President  
Greensboro Chamber of Commerce  
Greensboro, North Carolina

It is a real pleasure for the Greensboro Chamber of Commerce to have a part in this conference on pre-retirement. While I am the President of the Greensboro Chamber, I am not here to talk about the work we undertake. I am here to talk about Mr. Edward McGehee.

Mr. McGehee is Director of Retirement Studies and Director for Organizational Improvement at the Industrial Relations Center of the University of Chicago. In his dual capacity, Mr. McGehee has had a unique opportunity to study the attitudes and behavior of individuals, organizations, and government toward retirement.

For fifteen years, the Chicago Industrial Relations Center has pioneered the development of training materials for group programs in planning and preparation for retirement and in the training of conference leaders to conduct group programs within their own organizations.

Mr. McGehee has participated actively in the development of these programs and in the training of the trainers. Currently, he is serving as a member of the Education Committee of the forthcoming National Conference on Aging. Mr. McGehee has been a faculty member at Carnegie-Mellon University and at the University of Pittsburgh. In addition to his administrative responsibilities at the Chicago Industrial Relations Center, Mr. McGehee conducts research and training in retirement, decision making, and organizational development.

Mr. Edward McGehee:

I would like to deviate a little from the discussion of pre-retirement in industry. A great many of my comments will be about industrial experiences, but I would like us to think about pre-retirement programs in terms of organizations so broad as to encompass the total local community.

I suggest this because I think our problems of retirement go far beyond those that can be solved immediately within the confines of the industrial organization.

During the last decade, a great number of studies were conducted to determine what was the extent of pre-retirement programs in the United States. Generally, it was found that these programs were widely in operation. At first glance, this appeared to be an enthusiastic response to the question of retirement. But upon careful analysis, it was found that the total of pre-retirement programs, pre-retirement counseling, and pre-retirement training covered a multitude of activities. Furthermore, most of the analyses of the programs were made entirely on the basis of how many hours the programs covered. It was discovered that no more than thirty percent of companies having pre-retirement programs were devoting as much as five hours to program content.

Just think about that for a moment, ladies and gentlemen. The average employee retiring from the business enterprise has spent between 20,000 and 900,000 hours in the service of his company, and he, therefore, could not have spent any appreciable percentage of these hours in planning for the time when he leaves his organization. I think that this statistic of five hours devoted to pre-retirement programs is a national and a corporate shame.

Generally, in industry, the term used is pre-retirement counseling. What that amounts to in most organizations is to invite the potential retiree into the personnel offices three months, six months, a year, or two years before the individual retires. During this conference, individuals responsible for the pre-retirement program review with the employee the nature of the benefits supplied by the company which he can expect in terms of insurance, pension, or other services after retirement. These programs do provide a certain degree of accuracy of information. Yet those of you in the audience who have done any work either at the business end or at the research end of personnel practice realize how much misinformation exists in most organizations about the reality of pre-retirement and retirement.

These programs do create, in a cold sort of way, an awareness on the part of the retiree that there is not much time left and that he had better get on the stick and get ready for that time when he is going to be dis-associated from his company.

What are the weaknesses of our pre-retirement programs? First, there is tremendous informational weakness. Notice how most of this conference has been concerned with the financial aspects of the retirement benefit program which, in itself, is a very narrow part even of the total financial problem which the retiree faces.

Secondly, there is too little time devoted to the problem of retirement. A great many people about to face retirement are exceedingly apprehensive. Dr. Krugman would be the first to point this out. The soon-to-be-retired are not in the most receptive mood to ingest the information they receive about company retirement plans and benefits. A considerable amount of time is required to overcome this personal apprehension. So even if accurate information is given at the pre-counseling interviews, much of it does not penetrate, especially if the interview is only a half hour to an hour long.

The third weakness in our pre-retirement programs is that very often in these interviews, and I speak from long experience and observation, there is a kind of "big brother" talk. Most of us do not go to someone else, including our lawyer or our doctor, for advice. May I point out too that ministers have been dispensing good information for many years.

Generally, we go to someone for an "ear", for sympathetic understanding, and not for advice. In this "big brother" conversation, the employee is told, in effect, what he must do and how to do it. I consider this factor to be the weakest of all in our various pre-retirement programs.

Generally, in these interviews there is a lack of structure, particularly structure which can deal with the level of apprehension to which I recently referred. This failure to ally personal apprehension coupled with inadequacy of informational content renders the interview meaningless.

At the University of Chicago we feel very strongly that only the individual involved can solve his own problems. In other words, the only person who can solve his individual problem is the person himself.

Unfortunately, in education and throughout our society in general, we seem to have developed a certain elitest attitude about giving advice relative to the solution of personal problems. We have developed the idea that if you want a problem to be solved, you go to that person who is the "expert" and let him direct the decision-making process. We at the Industrial Relations Center feel very strongly that retirement must be solved by the retirees themselves, and that the best thing that can be done in pre-retirement training is to give the individual the capacity to acquire, understand, and analyze information relative to his personal retirement situation. We find that the most important thing, perhaps, is to develop an awareness among the retirees or among the individuals who will soon be retired what exactly is involved in the process of retiring and in the process of aging. We also feel it is important that these individuals arrive at a point of sharing their problems and sharing their theories and their frustrations. We believe that this type of mutual interchange of problems and of information should extend from the Chairman of the Board down to the least rated employee of the company.

When this community of awareness and of anticipation is established, it is then possible to move into the analytical stage of actually planning retirement. One can begin, then, with the frame of mind that can accept the information supplied by the employer.

Hopefully in many organizations, if we can arrive at this point of developing awareness, many of the questions relative to health, financial support, social participation, psychological adjustment are removed as major stumbling blocks. When this stage is reached, then perhaps we can begin to extract meaningful action from our pre-retirement training programs. Should we be able to reach this level of mutual understanding, perhaps a lot of research which consumes both funds and time can be avoided.

At our Center we hope that we can bring the individual to a point of awareness that he must continually renew himself as he plans for retirement, as he retires, and as he goes through the stages of aging.

Normally, I would say, that we have been unsuccessful in getting people at any age to be aware of the personal renewal process unless he himself has had a traumatic individualized experience. In other words, unless a person has sustained a loss of a spouse, a debilitating illness, or financial disaster, they just do not want to face up to their personal problems and to make plans to solve these problems. Especially is this evidenced as an individual approaches the point of retirement. Aging, however, is a reality of life, and if we are going to live longer, then the problems of living longer are going to involve loss of physical strength, perhaps loss of mental strength, loss of health, or loss of a spouse.

This means that the retired person has to develop a self-image of himself and of the aged in general. Furthermore he must be willing to accept this self-image. One of our problems today is that the aged do not accept the image of the aged and society helps this along by not accepting the self-image of the aged.

In retirement the individual loses a lot of things in private life that we as individuals value. This loss is, in part, a feeling that aging is a departure from normal social participation. We have got to find a way of replacing this attitude with a more positive one.

Turning to the work of our Center at the University of Chicago, we have set up a program of pre-retirement and retirement training which includes the training of trainers, the development of a trainer's guidebook, and the development of a cogent series of subject content for programs to be conducted in various organizations. (Editor's note: At this point, Mr. McGehee described in detail the mechanics of the operations of the pre-retirement programs developed by his Center).

In general I would say that the major strength of the programs for pre-retirement and retirement which we have developed lies in the sense of involvement - the involvement of those very people who will soon reach retirement age or who have reached that age. In this involvement, the individual begins to see that other people have similar problems. They begin to recognize the necessity for developing skills whereby they may better use their talents. Usually, there is a tremendous amount of enthusiasm generated within the group; what was viewed formerly as a unique individual problem is revealed to be a common problem experienced by most of the participants.

We find that we have been most successful in the areas of retirement planning, financial planning, attitudes about retirement, and retirement living. We are less successful in family-relations planning, the development of meaningful work, job satisfaction, and individual, unique problems of personal adjustment.

One of the hazards, of course, in this kind of activity is that pre-retirement and retirement programs might be considered as totalitarian or as an invasion of the privacy of the individual. We therefore stress the role of conference leadership so that the group itself provides its own stimulation and motivation for understanding the realm of retirement.

In preparing people in our society to face up to the many problems of retirement and to the many problems of aging, it is particularly important that we stress the fact that we live in a work-oriented society. This does not mean, however, that the retiree does not have work even though he is not on the active payroll of a company. The work that the individual then has is to realize and to maintain their capacity for self-renewal. And this the individual must do for himself; society cannot do it for him. We seek to prepare people to face the issue of retirement and the issue of aging with a sense of growth so that they have a healthy attitude about the whole experience, so that they have a healthy attitude relative to their ability to solve their own problems.

In conclusion, this problem of self-renewal and the development of individual certainty reminds me of a story. A man who is 85 years old and had lost his first wife at the age of 65 had been trying for twenty years to find a second bride. Finally, he found her and went down to his general practitioner and said that he wanted to have a physical examination. Well, his doctor knew that he had been hunting for a bride for twenty years and he said, "Now, Joe, you are in pretty good shape. But I hope you take things easy or there's likely to be death in the family." The 85 year old man replied, "Well, if she dies, she dies."



Reaction to Presentation by Mr. Edward McGehee

Dr. William McGehee  
Psychologist  
Director of Personnel, Research, and Development  
Fieldcrest Mills  
Eden, North Carolina

I think I'd rather sit down, I'm getting aged. As a matter of fact that's really my only qualification for being on this program - the fact that I am going through the process of getting old as everybody else is and thinking about retiring. The thoughts I am going to express are strictly my own.

I agree with Mr. McGehee that pre-retirement programs as they are normally organized in industrial settings are very poor, very inadequate. I do have some reservations about pre-employment counseling that goes beyond the fact of the inadequacy of the present programs. I do assume that industry has a responsibility for the social welfare of our country's people in general. This is a responsibility I think we have just in the last decade become aware of. I wonder, however, if discharging this responsibility does not start a long time before we are concerned with people retiring.

For example, I know we are not spending very much money in industrial organizations on pre-retirement counseling, but I would suggest that if we invested funds in pre-retirement counseling or invested funds for facing the problems of aging, one of the first things we should invest our efforts in is developing more adequate criteria for retirement instead of assuming the arbitrary age of 65. We would reduce some of the problems of retiring by reducing the number of people who retire before they die.

My second point is this: If we are going to spend money on pre-retirement and retirement programs, is it possible in our organizations to develop techniques, methods, and procedures for treating people as mature people, to develop them as mature people and let them live in an industrial society in such a way that they are allowed to make mature decisions? I believe if this should take place, we would not have the problem with the individual being immature at the point he retires.

A third and minor point I would emphasize develops from Dr. Krep's remarks. This concept of financial ability to cope with latter life is, I think, germane to many of the problems that are present in pre-employment counseling. We had one retiree who had only a small annuity. In fact, it came to \$4.85 a month and when he got that \$4.85 he promptly went out and bought a case of beer. I thought that was a pretty mature response to the problem.

This concept of trying to cut down consumption, utilizing the differential wages as a cushion for later life does not appeal to me. Companies

make it very difficult for employees to do this through their one system method of payment. Business enterprises today are investigating the possibility of testing pay schemes where the individual can, at certain stages of his life, allocate his pay to different endeavors - perhaps early in life to the total take-home pay, later on in life more to delayed retirement payments. I think this is an area that industry ought to start looking into and developing plans to advising their retirees.

I become a little unhappy with the concept that the company owes someone something. Perhaps the individual has worked 10,000 hours, 20,000, or 30,000 hours, but he has been paid for his time. I do think our companies owe a social responsibility, but not necessarily a responsibility to the individual, and I believe there is a variety of ways for meeting this problem. I have suggested several approaches other than concentrating on the last four or five years of a man's service to his company.

### Close of Conference

Dr. Stanley L. Jones  
Vice-Chancellor for Academic Affairs  
The University of North Carolina at Greensboro

This conference has provided another reminder of the great strengths in human and institutional resources which we find in this community, for we have seen those resources coming together in the University and the community in the discussions which we have had here today. That a state university such as ours will find its identity within the community and build its strengths out of the material and the creative forces which exist there is an article of faith for men and for this University administration. The University is one of the community's institutions and if it chooses to imbed itself deeply in the life of the community and build its programs in that matrix, both community and University will benefit. If it chooses isolation from the community and attempts to set directions independent of those which may exist or which may be developed within the community, both will suffer. I think the history of state-supported universities in America shows that the great universities have emerged in those situations in which a responsive university extended itself to cooperate with a progressive community in providing intellectual leadership and community service. I believe this conference today has made clear the orientation and the commitment of this University and this community.

It has been a privilege indeed to have had you here with us sharing with us your special insights into the problems of aging, the opportunities of living, and the needs of those approaching retirement. You have told us of the research under way, of how this research is being applied to the solving of problems, and of the institutional changes that are being made to accommodate these developments. From this information both the University and the community will know more effectively how to chart the road to additional experimentation and service. I know we shall keep in touch and that we will be meeting again to continue the work.





